Annual Report 1961

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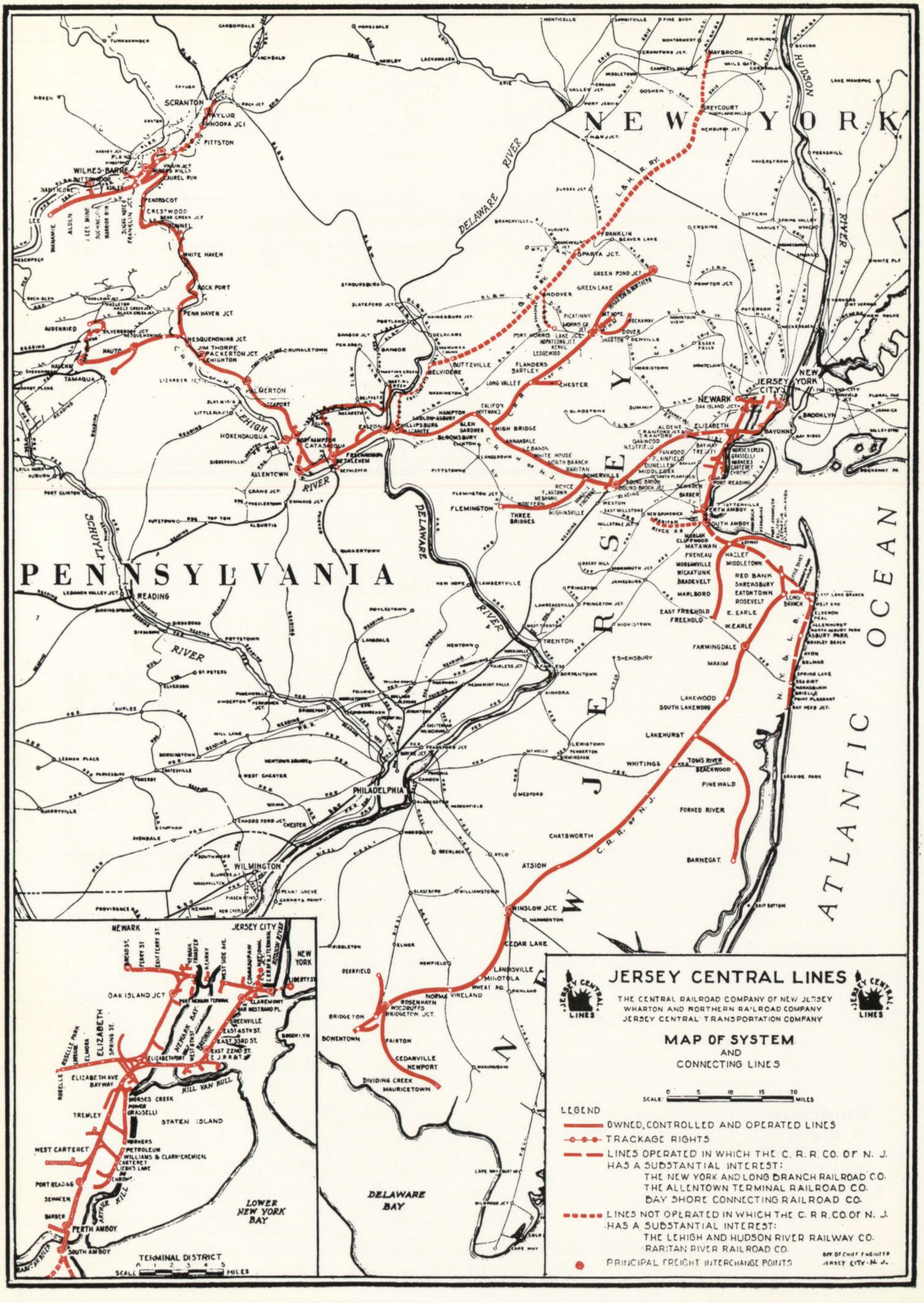
CENTRAL RAILROAD COMPANY OF NEW JERSEY


NEW YORK
PENNSYLVANIA
NEW JERSEY
ATLANTIC OCEAN
DELAWARE BAY
DELAWARE RIVER
HUDSON RIVER
LEHIGH RIVER
SCHUYLKILL RIVER
SCRANTON
WILKES-BARRE
ALLENTOWN
BETHLEHEM
EASTON
PHILLIPSBURG
READING
PHILADELPHIA
WILMINGTON
TRENTON
CAMDEN
NEWARK
JERSEY CITY
NEW YORK
BROOKLYN
ELIZABETH
BAYONNE
PERTH AMBOY
SOUTH AMBOY
LONG BRANCH
ASBURY PARK
LAKEHURST
TOMS RIVER
BARNEGAT
WINSLOW JCT.
BRIDGETON
SOMERVILLE
HIGH BRIDGE
WHARTON
MAYBROOK
L. & H. R. RY.
C. R. R. OF N. J.
N. Y. & L. B.
TERMINAL DISTRICT
LOWER NEW YORK BAY
STATEN ISLAND
KILL VAN KULL
ARTHUR KILL
SCALE 0 1 2 3 4 5 MILES

JERSEY CENTRAL LINES

THE CENTRAL RAILROAD COMPANY OF NEW JERSEY
WHARTON AND NORTHERN RAILROAD COMPANY
JERSEY CENTRAL TRANSPORTATION COMPANY

MAP OF SYSTEM
AND
CONNECTING LINES

SCALE: 0 5 10 15 20 MILES

LEGEND

- OWNED, CONTROLLED AND OPERATED LINES
- TRACKAGE RIGHTS
- LINES OPERATED IN WHICH THE C. R. R. CO. OF N. J. HAS A SUBSTANTIAL INTEREST:
  - THE NEW YORK AND LONG BRANCH RAILROAD CO.
  - THE ALLENTOWN TERMINAL RAILROAD CO.
  - BAY SHORE CONNECTING RAILROAD CO.
- LINES NOT OPERATED IN WHICH THE C. R. R. CO. OF N. J. HAS A SUBSTANTIAL INTEREST:
  - THE LEHIGH AND HUDSON RIVER RAILWAY CO.
  - RARITAN RIVER RAILROAD CO.
- ● PRINCIPAL FREIGHT INTERCHANGE POINTS

OFF. OF CHIEF ENGINEER
JERSEY CITY - N. J.

JERSEY CENTRAL LINES

DIRECTORS

The Central Railroad Company of New Jersey

*E. Paul Gangewere, *Chairman*
*Revelle W. Brown
J. Hamilton Cheston
*Frank C. LaGrange
Irving N. Like
William H. Mencher
Earl T. Moore
H. Merle Mulloy
*Fred N. Oliver
Julius A. Rippel
*Howard E. Simpson
**Member, Executive Committee*

Central Railroad Company of Pennsylvania

#Percy A. Brown
Revelle W. Brown
Edward J. Fox, Jr.
E. Paul Gangewere
John W. Kress
Judson C. McLester, Jr.
Earl T. Moore
Joshua A. Rich, IV
J. L. Stackhouse
Robert A. Young

Lehigh and New England Railway Company

Victor G. Aubry, Jr.
#Percy A. Brown
Revelle W. Brown
Edward J. Fox, Jr.
R. F. Hogan
Frank C. LaGrange
Judson C. McLester, Jr.
Earl T. Moore
J. L. Stackhouse
Robert A. Young

Wharton and Northern Railroad Company

N. Newlin Baily
Ludwig R. Dohm
Judson C. McLester, Jr.
Alfred J. Mackin
Earl T. Moore

Jersey Central Transportation Company

N. Newlin Baily
Judson C. McLester, Jr.
Earl T. Moore
Robert E. Teston

#Deceased, March 4, 1962

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OFFICERS

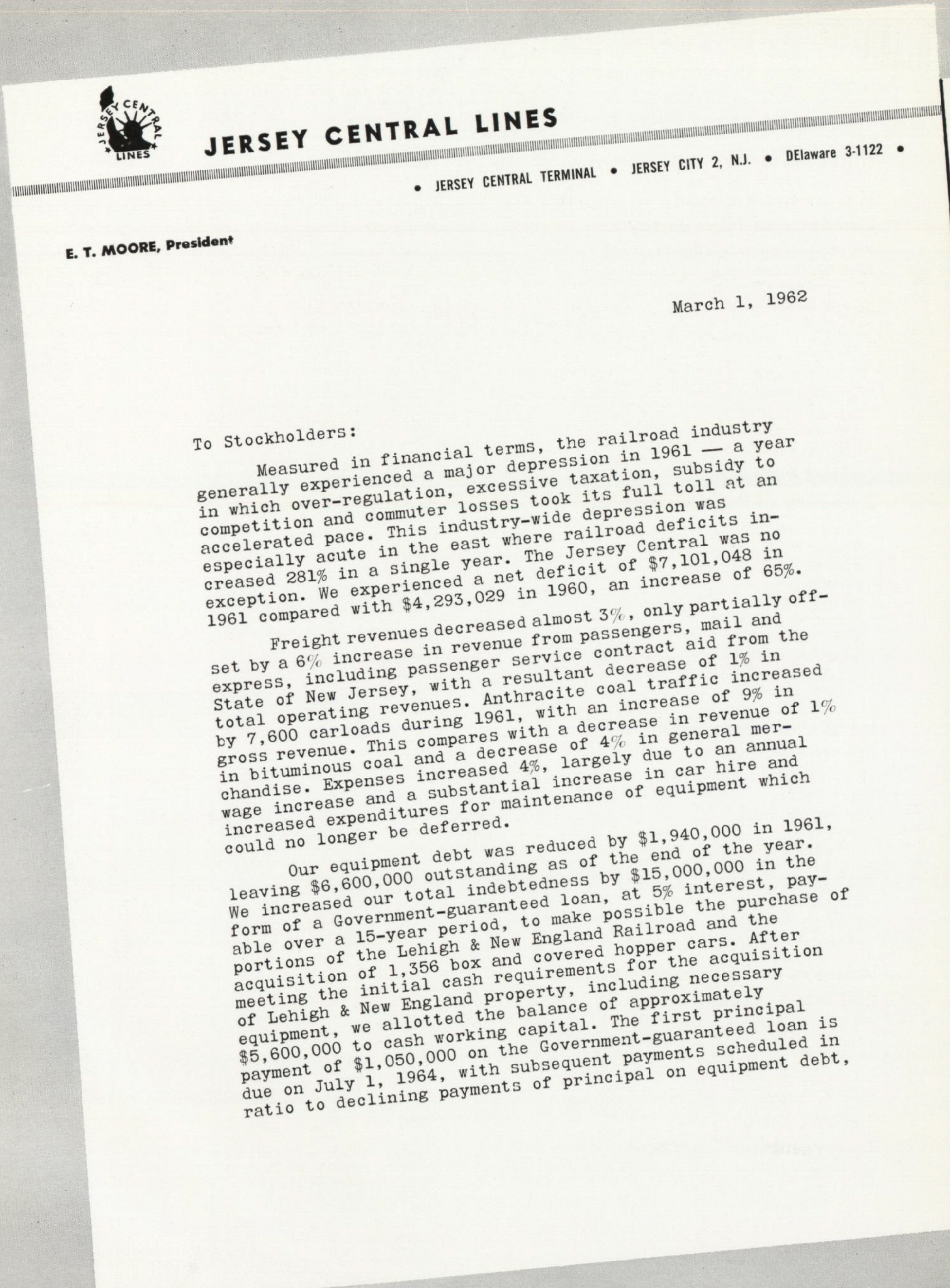
EARL T. MOORE
President
N. NEWLIN BAILY
Vice President and General Manager
JUDSON C. McLESTER, JR.
Vice President and General Counsel
JOHN F. HOURIGAN
Vice President—Freight Traffic
RALPH E. THOMPSON
Comptroller
ROBERT E. TESTON
Secretary and Treasurer
BERNARD J. MINETTI
Chief Engineer
WARREN W. BOYCE
Purchasing Agent
PHILIP M. PARKER
Property Manager
IRA GOLDOWSKY, M.D.
Medical Director

GENERAL OFFICES

JERSEY CENTRAL TERMINAL
JERSEY CITY 2, N.J.

Annual Report 1961
CENTRAL RAILROAD COMPANY OF NEW JERSEY

COVER: Mobile "Travelift" crane moves in "assembly-line" fashion along string of flatcars and trailer chassis transferring containers of freight from one to the other at the focal point of JCL's rapidly-increasing piggyback service at Jersey City, where facilities for handling this type of traffic are in the course of being nearly doubled. Facilities for the end-loading of trailers on flatcars via truck ramps also are located here, as are trailer parking areas. In the background is Jersey Central's passenger terminal, back-dropped by the towering skyline of New York City's lower Manhattan. Other pictures of piggyback service appear on page 7.



JERSEY CENTRAL LINES

• JERSEY CENTRAL TERMINAL • JERSEY CITY 2, N.J. • DElaware 3-1122 •

E. T. MOORE, President

March 1, 1962

To Stockholders:

Measured in financial terms, the railroad industry generally experienced a major depression in 1961 — a year in which over-regulation, excessive taxation, subsidy to competition and commuter losses took its full toll at an accelerated pace. This industry-wide depression was especially acute in the east where railroad deficits increased 281% in a single year. The Jersey Central was no exception. We experienced a net deficit of $7,101,048 in 1961 compared with $4,293,029 in 1960, an increase of 65%.

Freight revenues decreased almost 3%, only partially offset by a 6% increase in revenue from passengers, mail and express, including passenger service contract aid from the State of New Jersey, with a resultant decrease of 1% in total operating revenues. Anthracite coal traffic increased by 7,600 carloads during 1961, with an increase of 9% in gross revenue. This compares with a decrease in revenue of 1% in bituminous coal and a decrease of 4% in general merchandise. Expenses increased 4%, largely due to an annual wage increase and a substantial increase in car hire and increased expenditures for maintenance of equipment which could no longer be deferred.

Our equipment debt was reduced by $1,940,000 in 1961, leaving $6,600,000 outstanding as of the end of the year. We increased our total indebtedness by $15,000,000 in the form of a Government-guaranteed loan, at 5% interest, payable over a 15-year period, to make possible the purchase of portions of the Lehigh & New England Railroad and the acquisition of 1,356 box and covered hopper cars. After meeting the initial cash requirements for the acquisition of Lehigh & New England property, including necessary equipment, we allotted the balance of approximately $5,600,000 to cash working capital. The first principal payment of $1,050,000 on the Government-guaranteed loan is due on July 1, 1964, with subsequent payments scheduled in ratio to declining payments of principal on equipment debt, so that the total annual payments of principal on the loan and remaining equipment debt will approximate the amounts we have been paying in recent years on equipment debt alone.

The Lehigh and New England Railway Company, a wholly-owned subsidiary, was organized to acquire and operate the 40 miles of railroad purchased from the Lehigh & New England Railroad. The Lehigh and New England Railway Company paid $3,300,000 in cash and issued a $1,330,000 non-interest bearing note, payable in quarterly installments over a five-year period to the Lehigh & New England Railroad Company for road property, materials and supplies. As a part of this transaction the Central of New Jersey purchased from the Lehigh & New England Railroad Company 1,356 box and covered hopper cars for a cash consideration of $5,465,000. These transactions were consummated on November 1, 1961, and it is still too early to accurately predict long-term results.

Based on our limited experience, we estimate annual net revenue to the Jersey Central, on a consolidated basis, in excess of $1,000,000 after deducting interest payments on money borrowed for these capital investments. The railroad property acquired consists of approximately six miles of road in the anthracite coal producing area near Tamaqua, Pa., and about 34 miles of road in the Lehigh cement district. About 95% of the former Lehigh & New England Railroad's originated and terminated traffic was on the 40 miles of railroad we purchased. The major portion of the traffic is confined to the cement producing areas and, because of the seasonal nature of this traffic, the major benefits will not be reflected in Jersey Central consolidated earnings until the spring, summer and fall of 1962.

Total losses from passenger operations in 1961 amounted to $4,953,753 compared with the 1960 deficit of $5,688,967. These results included payments received from the State of New Jersey under a contractual arrangement for continuing suburban commuter passenger service of $455,131 in 1960 and $1,420,310 in 1961. We are obligated under the current contract to continue existing service at current fares during the fiscal year ending July 1, 1962, in consideration for payments of approximately $1,550,000. An independent study by the State of our passenger operations in New Jersey produced a 1960 loss of $5,029,345, exclusive of State aid payments. Based on this result, the State's contribution toward maintaining this necessary public service represents less than 30% of our losses. To enable us to continue this service under a contractual arrangement with the State until some better solution can be developed, it is essential that the State's participation be substantially increased.

A further worthwhile reduction in losses from passenger operations may result when the so-called "Palmer

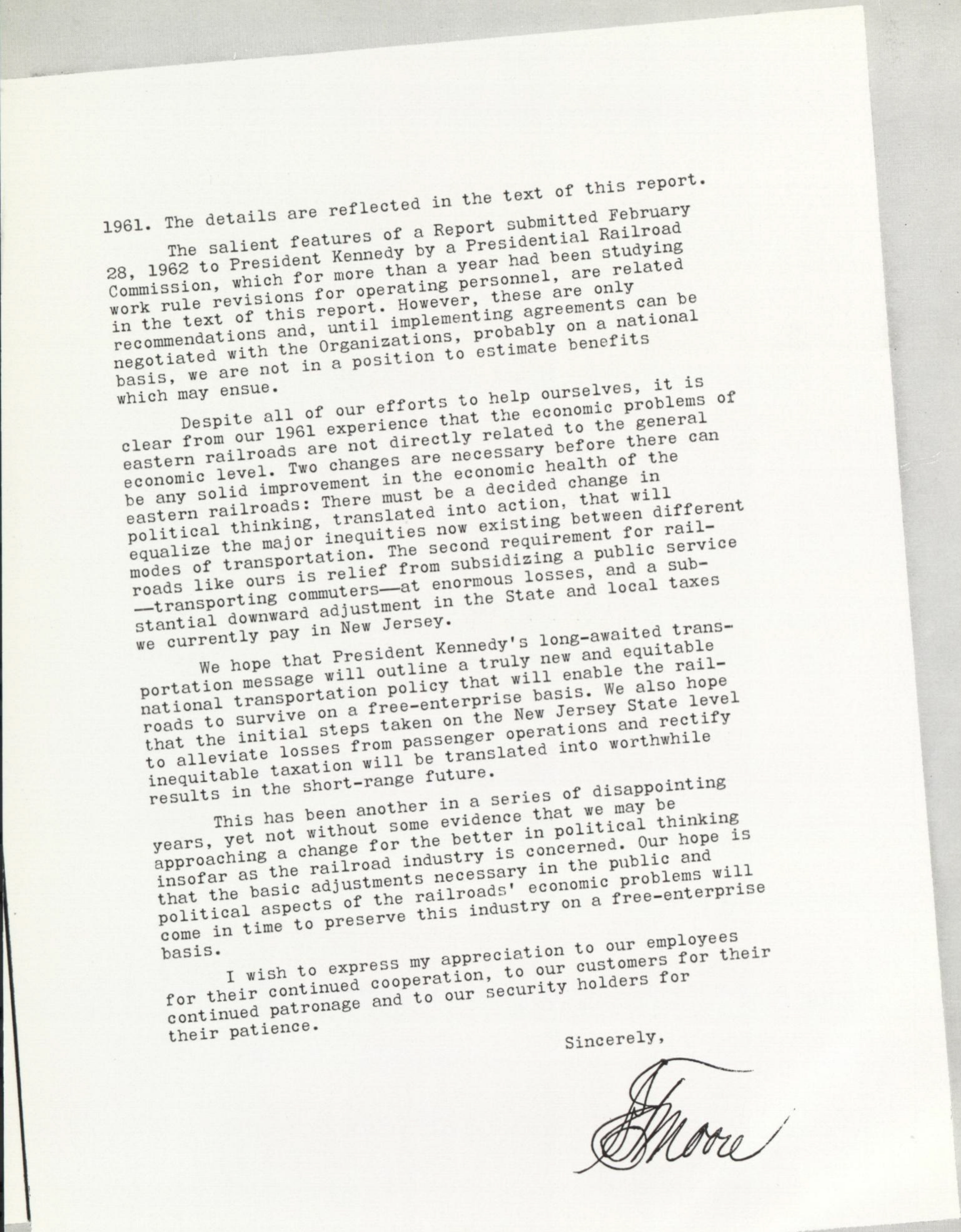
Plan" for continuing rail commuter service in New Jersey becomes effective. This plan provides for the operation of Jersey Central main-line passenger trains via Lehigh Valley and Pennsylvania tracks to Penn Station at Newark, with the Pennsylvania Railroad operating all of the New York & Long Branch service in which the Jersey Central has participated in past years. This plan contemplates the Port of New York Authority acquisition and operation of the Hudson & Manhattan Railroad and the necessary concurrent legislation has been passed in recent weeks by the States of New Jersey and New York. It is too early to predict when these major changes in rail commuter service in New Jersey will become effective, but at the earliest it will not be before the latter part of 1963. While this program should be very helpful, it can only reduce, not eliminate, losses incurred in Jersey Central passenger operations.

The provisions of the 1960 New Jersey legislation, designed to assure equality of tax assessment on a county-wide basis, were suspended by the State Legislature until April 1, 1962, and thus far the long-standing mandate of the State Supreme Court for equality of assessments has not benefited the railroads. The need for increased sources of revenue and a more equitable tax climate in the State is being increasingly recognized. Recognizing these needs, the Governor has appointed a committee to study and submit recommendations later in 1962 for a revision of the State tax structure. Any such revision may bring about an improvement in this long-standing and inequitable Jersey Central financial problem. Public hearings will be held by this special committee, with the Jersey Central actively participating.

Late in 1961 an agreement was made by the Jersey Central and other railroads with Jersey City to dispose of both the City's and the railroads' tax appeals for 1953 to 1961, inclusive. Also, the Pennsylvania Supreme Court ordered a reduction in capital stock taxes in that State. The details of these tax adjustments are related in the text of this report.

Market research activities, established in our Traffic Department during the latter part of 1961 to recover traffic lost to other forms of transportation, are beginning to show promising results. Our truck trailer and container-on-flat-car traffic is continuing to increase rapidly. We started during 1958 with 248 carloads and this has increased to 5,500 carloads in 1961, representing an increase of 40% compared with 1960.

As compared with recent years, industrial development along our line progressed at an accelerated pace during



1961. The details are reflected in the text of this report.

The salient features of a Report submitted February 28, 1962 to President Kennedy by a Presidential Railroad Commission, which for more than a year had been studying work rule revisions for operating personnel, are related in the text of this report. However, these are only recommendations and, until implementing agreements can be negotiated with the Organizations, probably on a national basis, we are not in a position to estimate benefits which may ensue.

Despite all of our efforts to help ourselves, it is clear from our 1961 experience that the economic problems of eastern railroads are not directly related to the general economic level. Two changes are necessary before there can be any solid improvement in the economic health of the eastern railroads: There must be a decided change in political thinking, translated into action, that will equalize the major inequities now existing between different modes of transportation. The second requirement for railroads like ours is relief from subsidizing a public service —transporting commuters—at enormous losses, and a substantial downward adjustment in the State and local taxes we currently pay in New Jersey.

We hope that President Kennedy's long-awaited transportation message will outline a truly new and equitable national transportation policy that will enable the railroads to survive on a free-enterprise basis. We also hope that the initial steps taken on the New Jersey State level to alleviate losses from passenger operations and rectify inequitable taxation will be translated into worthwhile results in the short-range future.

This has been another in a series of disappointing years, yet not without some evidence that we may be approaching a change for the better in political thinking insofar as the railroad industry is concerned. Our hope is that the basic adjustments necessary in the public and political aspects of the railroads' economic problems will come in time to preserve this industry on a free-enterprise basis.

I wish to express my appreciation to our employees for their continued cooperation, to our customers for their continued patronage and to our security holders for their patience.

Sincerely,

ETMoore

FINANCIAL SUMMARY OF 1961

Income

	1961	1960
Receipts from freight, passenger and miscellaneous operations	$51,129,297	$51,588,860
Other income (Net)	1,126,161	1,177,663
Total income	$52,255,458	$52,766,523

Expenses

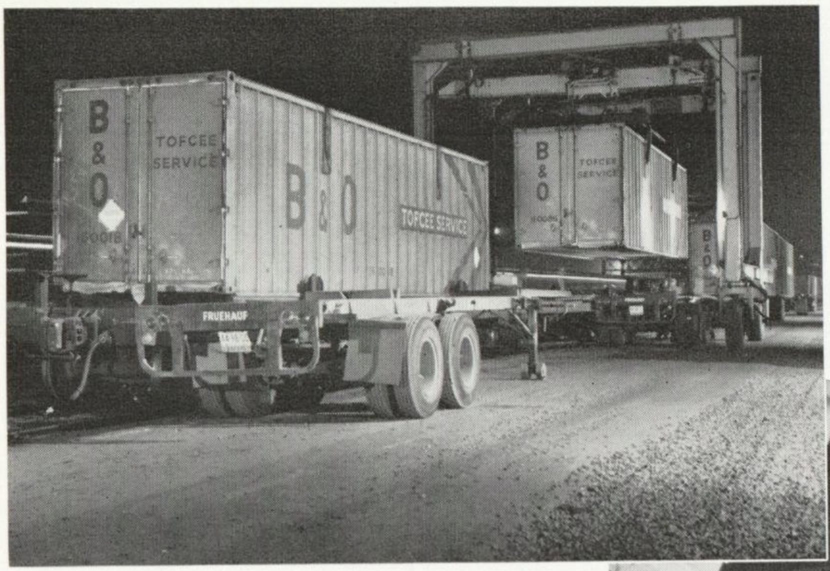
	1961	1960
Cost of maintaining and operating the property	$43,931,140	$42,505,560
Taxes	5,900,782	6,037,759
Hire of equipment and joint facilities	5,357,408	4,415,314
Fixed charges	4,167,176	4,100,919
Total costs	$59,356,506	$57,059,552

	1961	1960
Net Loss	**$ (7,101,048)**	**$ (4,293,029)**
Adjustments to determine "available net income" as required by the trust indenture:		
Elimination of amounts charged to operating expenses for ledger value less salvage of property retired and not replaced	20,950	79,622
Elimination of L.&N.E. Ry. Net loss not includable in determining "available net income"	10,750	—
Elimination of profit from the sale of meadowland properties credited to income and deposited with the mortgage trustee	142,627	422,215
"Available net income" deficit from prior years	8,989,637	4,354,015
"Available Net Income" **(Deficit)**	**$(16,201,612)**	**$ (8,989,637)**

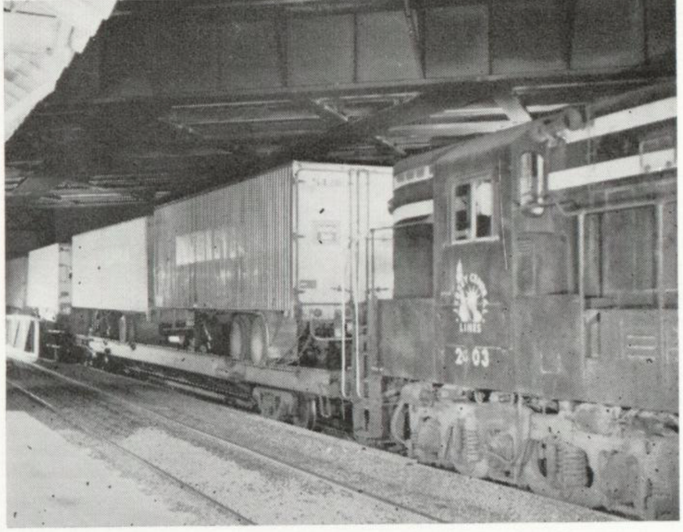
Capital Fund

	1961	1960
Amount in Capital Fund at close of year	none	none

During 1961 proceeds from sales of meadowland property aggregating $421,885 were deposited into the Capital Fund. This amount was withdrawn by the Company as partial reimbursement for the payment of fixed charges in excess of 1959 consolidated income available therefor.



AT JERSEY CITY, huge mobile "Travelift" crane, left, which straddles both railroad track and driveway area, lifts containers from wheeled chassis to rail flatcars for westbound movement in piggyback service.



ROLLING WEST, Second Timesaver (piggyback train), right, passes under bridge of the Pennsylvania Railroad at Elizabeth, N.J., on Mainline Track 2 which in 1961 was lowered one and one-half feet to provide added clearance under the PRR bridge for high-load shipments. Location is at Jersey Central's Broad St. station, Elizabeth. A portion of the westbound station platform appears at lower left, with Mainline Track 4 adjacent to it.

TRAFFIC AND REVENUES

Freight

Revenue from freight traffic declined from $40,975,488 in 1960 to $39,921,607 in 1961, a decrease of almost 3%. Carloads, including those received from connections, decreased 4% in 1961 compared with 1960.

The downward trend in both anthracite coal and cement was reversed in 1961, with revenues from the former improving 9.2% and from the latter going up slightly. Cement traffic produced 5%, and anthracite coal 7.4% of our freight revenue in 1961.

Revenue from bituminous coal represented about the same percentage of our total traffic as it did in 1960. Revenue from general merchandise represented 69.2% of the total, as compared with 70.4% in 1960. Trailer- and container-on-flat-car (piggyback) traffic continued to register substantial gains. The number of carloads handled increased 40% over 1960, although this category of traffic produced a relatively small percentage of our total freight revenue.

On March 1, 1961, we established a Manager of Market Research in the Freight Traffic Department to pursue more aggressively the recovery of traffic moving by truck, and to minimize further diversions of our rail traffic to the highways. Our experience thus far indicates that worthwhile results can be expected.

This Jersey Central program is in addition to concerted efforts on the part of the Eastern Railroads to revise current pricing policies to secure a larger share of available traffic for rail movement.

Passenger

Passenger revenues amounted to $5,525,466 in 1961 compared with $5,677,377 in 1960. In addition, we received $1,420.313 during 1961 from the State of New Jersey under contract to continue to provide passenger service. This contractual arrangement with the State was in effect only four months in 1960, with total payments of $455,-131. While these State payments were credited to "Other Revenues," they are reflected in the determination of net passenger losses.

Mail revenues increased slightly, amounting to $1,932,685 in 1961, compared with $1,903,021 in 1960.

Effective April 1, 1961, REA Express, Inc. cancelled its agreement covering virtually all express service on our lines in New Jersey. As a result, 1961 revenues from this source amounted to $384,-486 as against $717,086 in 1960. The express service remaining on our lines is predominantly in Pennsylvania.

Total revenues from all passenger services, including the State contract payments, increased $510,332 from the preceding year.

TAXES

Taxes paid to the State of New Jersey for 1961 amounted to $3,326,544, equivalent to $7.59 a share on the Company's Common Stock outstanding.

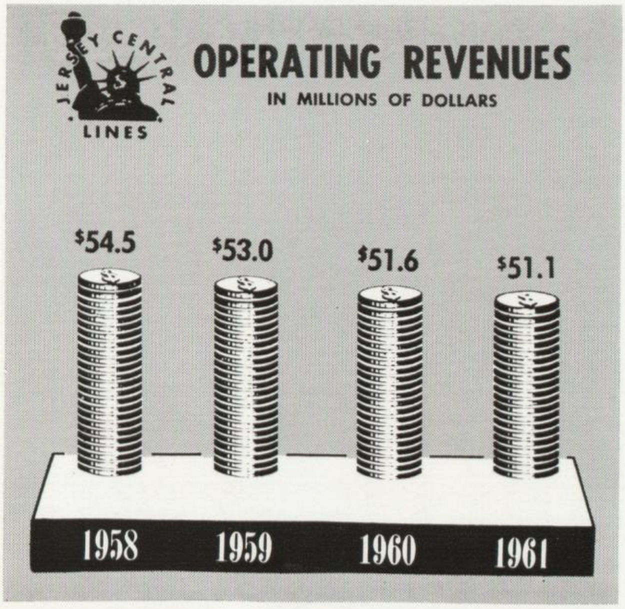
After we paid our 1961 taxes, an agreement with Jersey City was consummated for settlement of both the City's and our tax appeals for the years 1953-1961, inclusive, upon the basis of a reduction of 35% in assessments of land and no change in assessments of structures for the years 1961 and 1962. The resulting reduction in taxes for 1961 is approximately $477,000 and this amount will be deducted in four equal installments from tax bills for the years 1962-1965, inclusive. The reduction for the year 1962 will be reflected in that year's tax bill but we anticipate some increase in Jersey City's tax rate, so we are unable to state just what the reduction in taxes for 1962 as compared with 1961 will be.

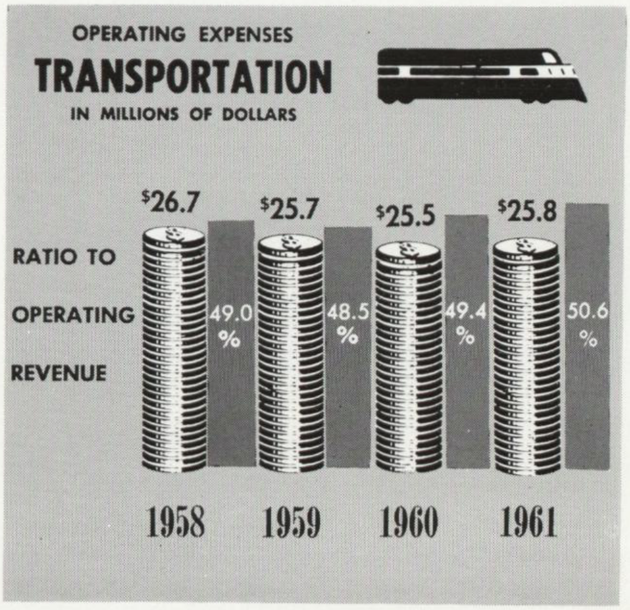
In Pennsylvania, the State Supreme Court authorized a reduction in Pennsylvania capital stock taxes for the years 1949-1952, inclusive, of some $50,000 to $65,000 related to locomotives. Our request for further reductions of $100,000 to $125,-000 relating to freight cars was refused. We have appealed this latter decision to the United States Supreme Court, and it has been accepted for review.

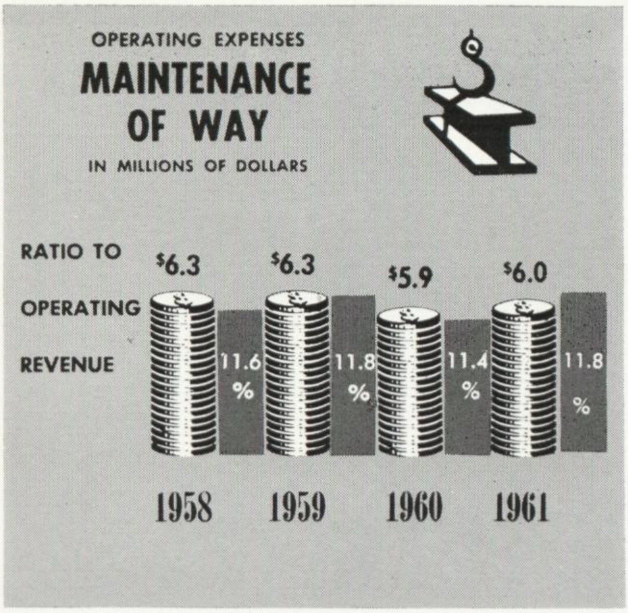
Effective January 1, 1962, the rates for Railroad Retirement tax and for Unemployment Insurance tax increased from 6¾% to 7¼% and from 3¾% to 4%, respectively. These rate increases will increase the Company's annual tax bill for these items by an aggregate amount of about $175,000.

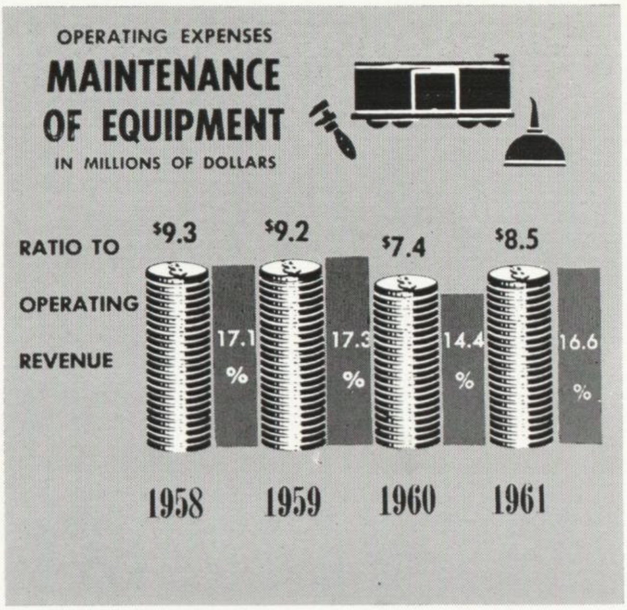
WAGES

The report of the Presidential Railroad Commission, set up to recommend changes in existing work and compensation rules relating to operating employees, was submitted to the President on February 28, 1962. The public members of the Commission, in a report accepted by the carrier









members but not by the representatives of the five operating brotherhoods, concluded that "(1) the present system of rules is outmoded in many fundamentals; (2) work relations between employees and railroads are governed by a system of rules, regulations, and practices which largely came into being before modern technology; and (3) the system of work rules fails to achieve a fair or reasonable apportionment of work or compensation."

The public members asserted as their "fundamental policy" that (1) the nation is entitled to a safe and efficient rail transport system; (2) management should be accorded reasonable opportunity to install technological improvements; (3) employees are entitled to work under a sound and equitable pay structure and under conditions which promote efficiency, safety, and security; and (4) where improvements in technology leading to greater productivity adversely affect employees, adequate provision must be made for their welfare.

Pursuant to these objectives, the Commission specifically recommended (1) a system for earlier retirements; (2) shorter hours of work for some categories of employees and establishment of a logical scale of overtime payments; (3) modernization of the antiquated pay structure to make it more equitable for both industry and employees; (4) reduction of the inflexible distinctions between yard and road work; (5) broadening of the rules affecting interdivisional runs that require an unnecessary number of crews and unneeded crew terminal facilities; (6) broadening of seniority districts to protect long-service employees; (7) changing existing crew consist to eliminate unnecessary employees; (8) encouraging instead of inhibiting technological change; and (9) establishment of some additional fringe benefits for employees.

The Report's recommendations are subject to negotiation between the carriers and the operating organizations, and the Carriers' Conference Committees have requested a meeting at the earliest possible date.

All non-operating organizations, including marine crafts, have served notice upon the Company for changes ranging from varied wage increases to amending rules to require six-month advance notice before reducing forces or abolishing positions; improved vacations; additional holidays; pay for sick leave and jury duty; reduction in work week, as well as severance payments. Counter-proposals were served by the Company for wage decreases and certain rule changes.

Local negotiations have been concluded, and the dispute has been referred to an Emergency Board which is currently conducting hearings. Mr. P. M. Shoemaker, newly-elected Jersey Central president, is one of the principal industry witnesses.

Requests have also been received from the train dispatcher organization for an 8% wage increase, and from the yardmasters for wage increases and insurance plans; they are currently being negotiated.

The nine-man Presidential Commission appointed to consider the dispute over manning vessels in New York Harbor, that caused the strike in January, 1961, has begun hearings. A separate three-man Commission will shortly commence hearings on a similar issue involving lighter captains.

INDUSTRIAL DEVELOPMENT

Excellent progress was made in industrial development during 1961 with thirty new industries locating on our lines. When construction is completed, these industries are expected to produce 9,700 carloads of additional traffic annually. Six industries presently located along our railroad have undertaken plant expansions which it is expected will increase their traffic by 4,300 carloads annually.

PROPERTY SALES

Fifty-six parcels of land with an area of 136 acres were sold in 1961 for a total consideration of $879,000.

The Jersey Central still owns 649 acres of undeveloped property in the Elizabeth Central District and in the meadowland adjacent to the rapidly-developing Port Newark and Port Elizabeth. We also own 209 acres in our Central Morris Industrial Park near Rockaway, N.J.

EQUIPMENT and IMPROVEMENTS

Provision for improved clearance under the overhead Pennsylvania Railroad bridge at Elizabeth, through a track-lowering project, completed in 1961, has enabled us to handle a greater variety of traffic, particularly trailers on flat cars. Expansion in our container-on-flat-car service facility in Jersey City, including another large "Travelift" crane, has almost doubled its capacity for handling this category of traffic.

On October 31, 1961, in conjunction with the

SPARED LARGE AMOUNTS of ice and snow during the winter of 1961-62, the New Jersey-New York seaboard was afflicted on March 6 and 7, 1962, by unusually high windblown tides which inundated waterfront areas including Jersey Central's terminal facilities at Jersey City, some of which are shown below.

SOME 600 employees and members of their families attended "Safety Open House Day" at Elizabethport Shops Saturday, Oct. 28, 1961. They congregated in the diesel locomotive repair shop, right, before being conducted by 27 employee guides to 16 locations where shop operations were demonstrated and various pieces of equipment displayed and operated.

acquisition of a portion of the Lehigh and New England Railroad by the Lehigh and New England Railway Company, the Central Railroad Company of New Jersey purchased 722 box and 634 covered-hopper cars from the former for $5,464,740.

During 1961, our Elizabethport car shops were used at capacity through the year to repair and restore to service 1,183 cars, including a considerable number under a sale, repair and lease-back agreement. Eliminating some 1,100 gondola cars for which there is no current need, our ratio of freight cars awaiting repairs is 8% of all cars owned and leased.

In 1961, automatic crossing-gates were installed at Broad Street in Red Bank, N.J., and signals were respaced between Cranford and Fanwood.

During 1962, a new five-track underpass will be constructed to eliminate a grade crossing on the main line at Center Street, Garwood, N.J. The estimated cost is $1,625,000, of which the State's share is 85%.

PUBLIC and EMPLOYEE RELATIONS

Our public relations activities, using every means at our disposal, have been helpful in the progress that has been made in developing a partial solution to New Jersey's mass transportation problems. We will continue these activities through news releases; messages on our bulletin screen to passengers as they pass through our Liberty Street Ferry Terminal, New York; our "Commuter's Almanac," a publication distributed each month to passengers on our trains; and a variety of other means.

We are continuing our educational programs to promote safety and reduce freight damage.

ORGANIZATION

The Elizabethport and New York Ferry Company, established in 1818 and the oldest (1839) corporate member of the Jersey Central family, was dissolved in 1961 when its last income-produc-

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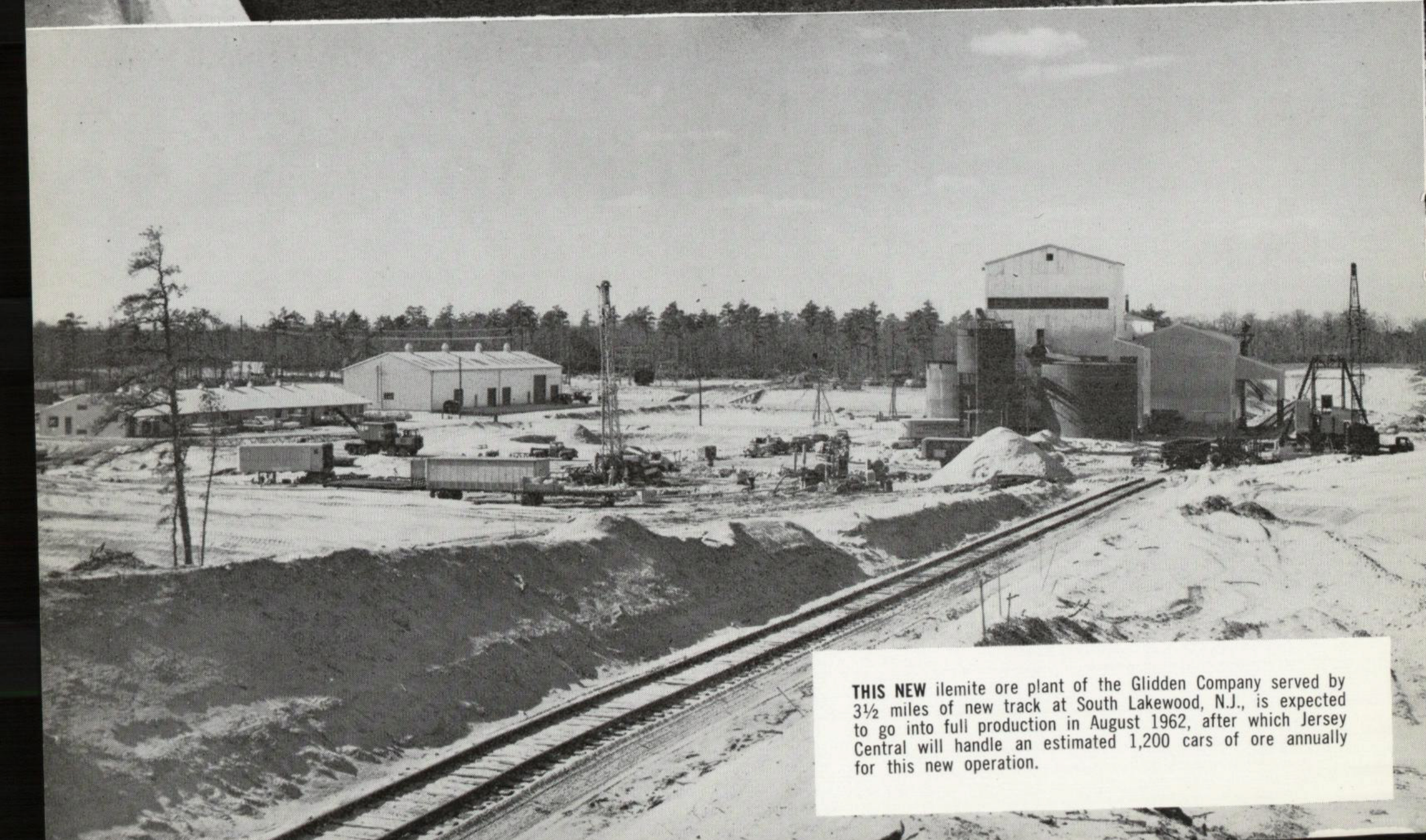
1933 1961

NEW WAREHOUSE of P. Ballantine & Sons at Newark, N.J., was opened in August 1961 by Jersey Central locomotive hauling carloads of refrigerated hops into the new 370,000 sq. ft. facility, constructed as part of a two-year expansion program at the Brewery.



THIS NEW ilemite ore plant of the Glidden Company served by 3½ miles of new track at South Lakewood, N.J., is expected to go into full production in August 1962, after which Jersey Central will handle an estimated 1,200 cars of ore annually for this new operation.

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EVELOPMENT IN 1961

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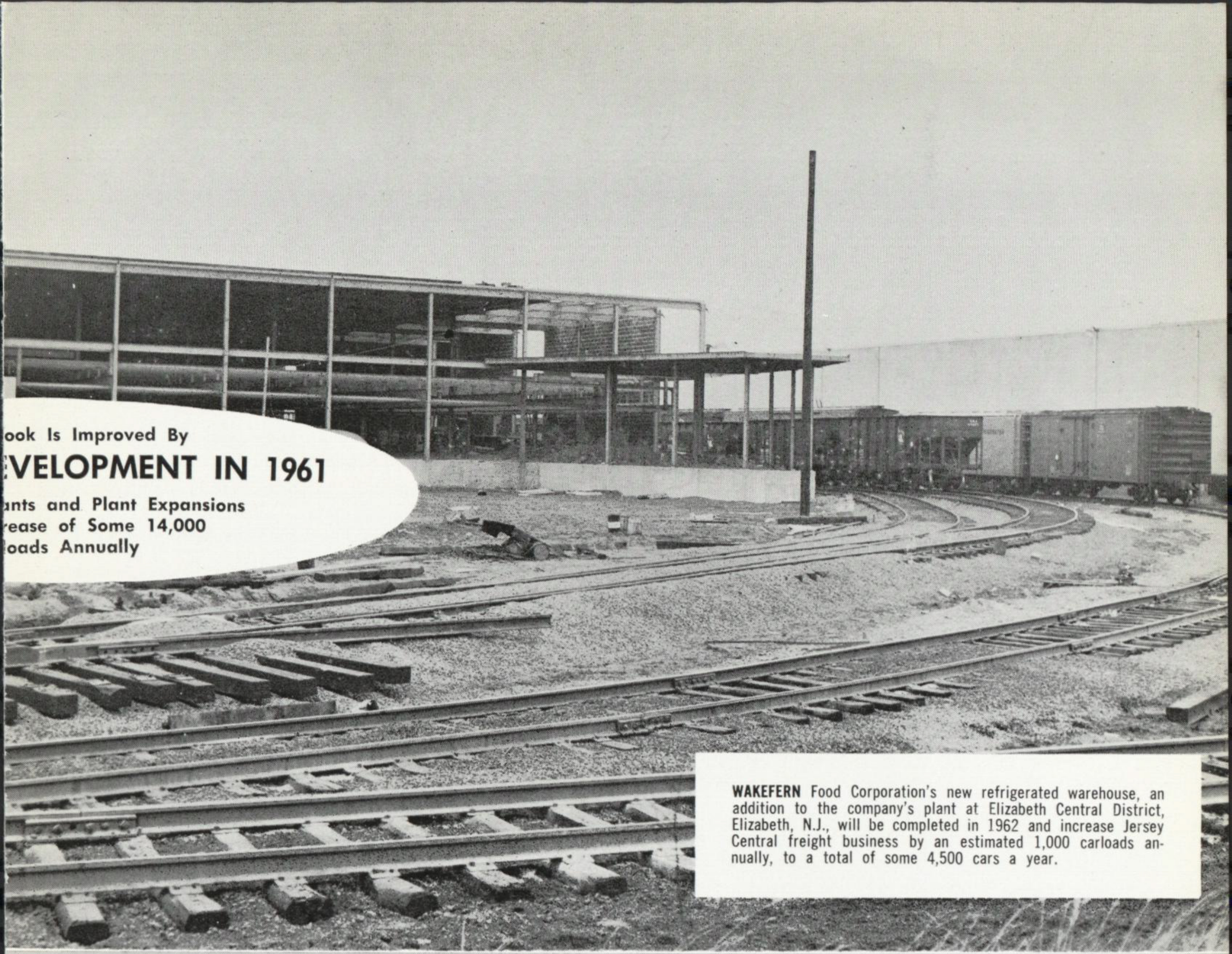
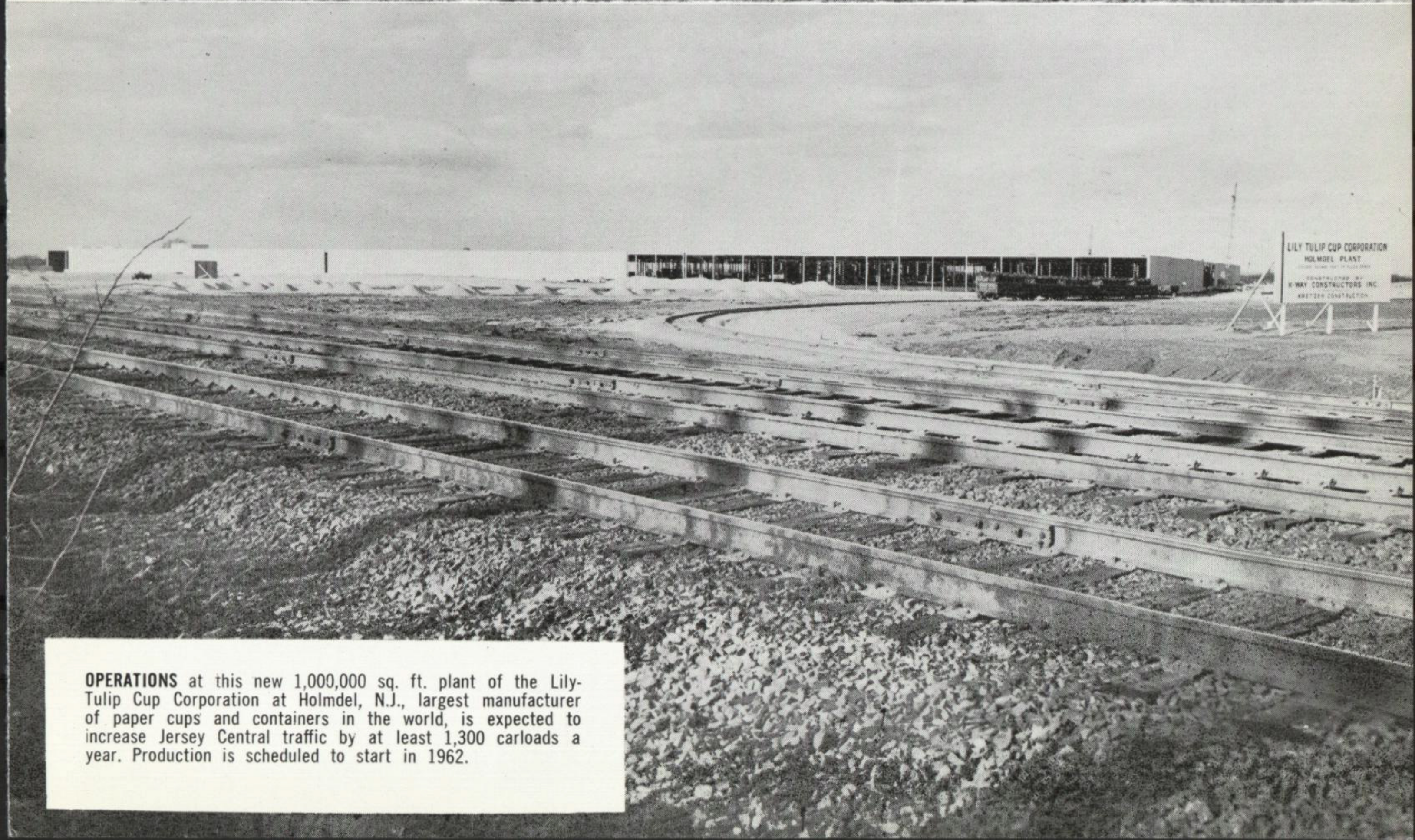


WAKEFERN Food Corporation's new refrigerated warehouse, an addition to the company's plant at Elizabeth Central District, Elizabeth, N.J., will be completed in 1962 and increase Jersey Central freight business by an estimated 1,000 carloads annually, to a total of some 4,500 cars a year.


LILY TULIP CUP CORPORATION
HOLMDEL PLANT
CONSTRUCTED BY
K-WAY CONSTRUCTORS INC.

OPERATIONS at this new 1,000,000 sq. ft. plant of the Lily-Tulip Cup Corporation at Holmdel, N.J., largest manufacturer of paper cups and containers in the world, is expected to increase Jersey Central traffic by at least 1,300 carloads a year. Production is scheduled to start in 1962.

ing "property"—the franchise to run a ferry from Elizabethport to Staten Island—became valueless.

The general offices of The Central Railroad Company of New Jersey were moved from rented space at 143 Liberty Street, New York City, to available space in company-owned offices at Jersey City, at an annual savings of approximately $80,000.

ABANDONMENTS

Approximately ten miles of inactive branch lines in the State of Pennsylvania were retired.

The 4.68-mile-long Chester Branch was abandoned early in 1962, as was the small waterfront terminal in the Bronx, New York City, served by carfloat. This latter abandonment makes available for sale a property worth several hundred thousand dollars.

DIRECTORS

On March 22, 1961, Mr. E. Paul Gangewere, president of the Reading Company, was named a member of the executive committee, replacing Mr. J. Hamilton Cheston, who continued as a member of the Board.

On May 24, 1961, Mr. Howard E. Simpson, chairman and chief executive officer of the Baltimore and Ohio Railroad, was elected a director, chairman of the board, and member of the executive committee, succeeding in all three capacities Col. Roy B. White, who was named honorary chairman.

On September 27, 1961, Mr. H. Merle Mulloy, vice president and general counsel of the Reading Company, was elected a director succeeding Mr. William I. Woodcock, Jr., resigned.

On December 4, 1961, Mr. Gangewere was named chairman of the board, succeeding Mr. Simpson who remains a member of the board as well as a member of the executive committee.

Mr. E. T. Moore, who has been president since 1949, is approaching retirement, and in order to assure continuity of policy and administration the Board of Directors on February 28, 1962, took the following actions to become effective April 1, 1962:

Mr. Moore was elected chief executive officer and chairman of the board, succeeding Mr. Gangewere in the latter capacity.

Mr. Perry M. Shoemaker, now serving as chairman of the board of the Erie-Lackawanna Railroad, was elected president, succeeding Mr. Moore.

Mr. Gangewere was elected chairman of the executive committee, succeeding Mr. R. W. Brown, who will continue as a member of the board and executive committee.

By Order of the Directors
The Central Railroad Company of New Jersey
March 1, 1962

The Directors, in behalf of the Company, express their sorrow at the death on June 3, 1961, of Col. Roy B. White, who had served continuously as a board member since his election January 12, 1926, and continuously as chairman from July 14, 1942 to May 24, 1961. After serving as senior vice president of The Central Railroad Company of New Jersey for nine months, Col. White became president of the Company October 28, 1926, and served in that capacity until May 31, 1933. For more than 35 years, Col. White gave generously of his time and energy to the affairs of the Company, offering seasoned experience in the field of railroad operations and a wide knowledge of the problems of railroad management acquired in the course of his distinguished career as a railroad executive.

STATEMENT OF CONSOLIDATED INCOME AND RETAINED EARNINGS

	Year ended Dec. 31 1961	1960
Railway Operating Revenues:		
Freight:		
Merchandise	$29,646,389	$30,838,587
Anthracite	2,942,278	2,695,000
Bituminous	7,332,940	7,441,901
	$39,921,607	$40,975,488
Passenger, mail, express and other (page 22)	11,207,690	10,613,372
Total	$51,129,297	$51,588,860
Railway Operation Expenses:		
Payrolls	$29,276,219	$28,554,771
Material, supplies and other expenses	11,468,064	10,677,441
Depreciation	3,186,857	3,273,348
Total (page 22)	$43,931,140	$42,505,560
Net Revenue From Railway Operations	$ 7,198,157	$ 9,083,300
Charges To Net Revenue:		
Railway taxes:		
New Jersey property and franchise taxes	$ 3,272,450	$ 3,348,880
Payroll taxes	2,496,297	2,551,058
Other	132,035	137,821
	$ 5,900,782	$ 6,037,759
Hire of equipment and joint facility rents (net)	5,357,408	4,415,314
Total	$11,258,190	$10,453,073
Net Railway Operating Loss	$(4,060,033)	$ (1,369,773)
Other Income:		
Rent of properties	$ 278,432	$ 282,283
Dividends	139,662	142,012
Interest	243,012	412,071
Sale of land and other items (net)	465,055	341,297
Total	$ 1,126,161	$ 1,177,663
	$ (2,933,872)	$ (192,110)
Fixed Charges:		
Rent of leased roads	$ 2,388,577	$ 2,391,657
Interest on funded debt	1,768,740	1,702,602
Amortization of discount on funded debt	9,859	6,660
Total	$ 4,167,176	$ 4,100,919
Net Loss	$ (7,101,048)	$ (4,293,029)
Retained Earnings At Beginning Of Year	$54,862,382	$59,278,250
	$47,761,334	$54,985,221
Other charges	140,244	122,839
Retained Earnings At End Of Year (notes 1 and 6)	$47,621,090	$54,862,382

See accompanying notes to financial statements.

JERSEY CENTRAL LINES

CONSOLIDATED BALANCE SHEET

Assets

	December 31 1961	 1960 (Note 3)
Current Assets:		
Cash and temporary cash investments	$ 6,974,387	$ 6,046,242
Accounts receivable and unbilled revenue	6,371,170	5,675,046
Materials and supplies	3,425,633	2,813,110
Prepayments and working fund advances	750,931	615,797
	$ 17,522,121	$ 15,150,195
Special Funds:		
Funds for investment in properties or retirement of debt	$ 654,930	$ 618,603
Insurance and other deposits	224,235	200,715
	$ 879,165	$ 819,318
Investments and Advances at or Below Cost, (Substantially all pledged under General Mortgage):		
Affiliated companies (page 19)	$ 7,594,816	$ 7,612,831
Other (page 19)	2,012,310	2,143,314
	$ 9,607,126	$ 9,756,145
Less provision for possible loss	1,728,934	1,728,934
	$ 7,878,192	$ 8,027,211
Properties less Depreciation and Amortization (note 4)	$124,794,170	$119,473,118
Other Assets:		
Miscellaneous receivables and items in suspense	$ 633,326	$ 623,339
Estimated salvage recoverable on retirements	385,352	251,123
	$ 1,018,678	$ 874,462
	$152,092,326	$144,344,304

Liabilities and Shareowners' Equity

	1961	1960
Current Liabilities (excluding long-term debt due within one year):		
Accounts payable	$ 5,653,202	$ 5,504,758
Employees vacation pay (note 3)	1,724,000	1,752,500
Accrued payroll	1,053,960	1,098,821
Accrued taxes	413,663	401,554
Injury and damage claims	490,043	490,266
Other current liabilities	1,334,621	1,023,548
	$ 10,669,489	$ 10,271,447
Long-Term Debt Due Within One Year (page 18)	$ 2,197,540	$ 1,940,517
	$ 12,867,029	$ 12,211,964
Long-Term Debt (page 18):		
Mortgage bonds (note 5)	$ 42,890,000	$ 42,890,000
Trust notes (note 6)	15,000,000	—
Equipment trust obligations	4,354,000	5,776,000
Conditional sale agreements	309,111	804,651
Non-interest bearing note	1,050,000	—
	$ 63,603,111	$ 49,470,651
Other Liabilities:		
Personal injury claims	$ 869,051	$ 717,036
Miscellaneous liabilities and items in suspense	457,777	408,003
	$ 1,326,828	$ 1,125,039
Shareowners' Equity:		
Capital stock authorized 460,000 shares of $50 par value, issued 457,915 shares less 19,877 shares in treasury	$ 21,901,900	$ 21,901,900
Other paid-in Capital	4,772,368	4,772,368
Retained earnings (notes 1 and 6)	47,621,090	54,862,382
	$ 74,295,358	$ 81,536,650
	$152,092,326	$144,344,304

See accompanying notes to financial statements.

Accountants' Report

PEAT, MARWICK, MITCHELL & CO.
ACCOUNTANTS AND AUDITORS
SEVENTY PINE STREET
NEW YORK 5, N. Y.

To the Board of Directors and Shareowners
The Central Railroad Company of New Jersey:

We have examined the accompanying consolidated balance sheet of The Central Railroad Company of New Jersey and its subsidiaries as of December 31, 1961, and the related statement of consolidated income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The company is required to maintain its accounts in accordance with the rules and regulations of the Interstate Commerce Commission which differ in some respects from generally accepted accounting principles as explained in note 1 to the financial statements.

In our opinion, except for the matter referred to in the preceding paragraph, the accompanying financial statements present fairly the consolidated financial position of The Central Railroad Company of New Jersey and its subsidiaries as of December 31, 1961 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

March 15, 1962

Peat, Marwick, Mitchell & Co.

Notes To Financial Statements

1. Principles of Accounting:

   The company is required to maintain its accounts in conformity with the rules and regulations of the Interstate Commerce Commission. Accordingly, no provision has been made for federal income tax benefits of approximately $3,000,000 which have been obtained in prior years by reason of the deduction of accelerated depreciation and amortization for federal income tax purposes in excess of depreciation recorded in the accounts. Such provision, which would have been required under generally accepted accounting principles, would have no effect on the net loss for 1961. Other differences between the rules and regulations of the Interstate Commerce Commission and generally accepted accounting principles are not significant.

2. Principles of Consolidation:

   All 100% owned subsidiaries have been consolidated except two non-railroad companies owning land. The Company's equity in the net assets of affiliated and other companies not consolidated as determined by the most recent unaudited statements available is substantially in excess of the net amount of investments and advances in such companies.

3. Restatement of 1960 figures:

   Accrued vacation pay, which in previous years had been included in other liabilities has been included in current liabilities in 1961 in accordance with a change in accounting regulations of the Interstate Commerce Commission. The amounts for 1960 have been restated to reflect the December 31, 1960 vacation pay accrual of $1,752,500 in current liabilities.

4. Properties:

   The investment in properties and the depreciation accrued are detailed on page 18.

   Depreciation on road property has been provided in the accounts since January 1, 1943 in accordance with regulations issued and rates approved by the Interstate Commerce Commission. Prior to the date referred to above, no such provision was required by the Interstate Commerce Commission.

   The company is obligated under certain freight car lease agreements with average annual rentals of $800,000 through 1968.

5. Trust Indenture:

   The trust indenture provides that until the outstanding general mortgage bonds are reduced to $24,000,000:

   (a) One-half of "available net income" for each year, as defined in the indenture, shall be applied to the retirement of outstanding bonds on or before April 1 of the following year. No payment will be required under this provision for 1961 as there was no "available net income."

   (b) The remainder of "available net income" shall be applied first, for capital improvements for which funds are not available other than from the Capital Fund; second, to restore the Capital Fund to $2,500,000; and third, for any other corporate purpose. Net proceeds from sales of meadowland property also may be used to restore the Capital Fund to the above stated amount, and any such proceeds not so used are to be applied to the retirement of general mortgage bonds.

   If "available net income" for any year shall be a deficit, the amount of such deficit may, at the discretion of the Board of Directors, be carried forward and deducted in determining "available net income" in subsequent years. The amount of deficit available for carry-forward at December 31, 1961, is $16,201,612.

6. Dividends:

   The Collateral Trust Agreement executed in connection with the 5% Trust Notes contains certain restrictions on the declaration and payment of dividends. Under the most restrictive of these provisions no dividend may be declared without the written consent of the Interstate Commerce Commission unless the Company's net income accumulated from January 1. 1961 to a date 90 days prior to the date of declaration exceeds the amount of the proposed dividend.

JERSEY CENTRAL LINES

LONG TERM DEBT (including amounts due within one year)

Mortgage Bonds

Date of Issue	Date of Maturity	Interest Due	Interest Rate	Total Amount Issued	Amount Actually Outstanding Dec. 31, 1961
July 1, 1949	July 1, 1987	Jan. and July	3¼%	$48,731,000	$42,890,000

Trust Notes

Date of Issue	Dates of Maturity	Interest Due	Interest Rate	Total Amount Issued	Amount Actually Outstanding Dec. 31, 1961
Oct. 31, 1961	July 1, 1964-1976	Jan. and July	5%	$15,000,000	$15,000,000

Equipment Trust Obligations

Date	Equipment Securing Obligation	Interest Rate	Original Amount of Obligation	Retired This Year	Unmatured and Outstanding Dec. 31, 1961	Final Installment Matures
June 15, 1947	15 Freight Diesel Units (10A; 5B)	2⅜%	$ 1,605,000	$ 107,000	$ 107,000	June 15, 1962
July 15, 1947	1250 Box Cars	2⅜%	3,750,000	250,000	250,000	July 15, 1962
Apr. 15, 1948	15 Freight Diesel Units (10A; 5B)	2⅝%	1,395,000	93,000	186,000	Apr. 15, 1962
Oct. 15, 1948	13 Diesel Units	2⅝%	1,500,000	100,000	200,000	Oct. 15, 1963
Apr. 1, 1950	12 Diesel Units	2½%	1,350,000	90,000	360,000	Apr. 1, 1965
Apr. 1, 1950	125 Covered Hopper Cars 12 Diesel Units	2⅜%	1,815,000	121,000	484,000	Apr. 1, 1965
Aug. 1, 1951	22 Diesel Units	3%	2,745,000	183,000	915,000	Aug. 1, 1966
Oct. 1, 1952	23 Diesel Units	3½%	2,895,000	193,000	1,158,000	Oct. 1, 1967
Mar. 1, 1953	500 Box Cars	3⅝%	2,460,000	164,000	1,148,000	Mar. 1, 1968
Apr. 1, 1954	4 Rail Diesel Coaches 7 Diesel Units	3⅛%	1,815,000	121,000	968,000	Apr. 1, 1969
	Total		$21,330,000	$1,422,000	$5,776,000	

Conditional Sale Agreements

Nov. 1, 1952	15 Diesel Units	3⅝%	$ 1,450,690	$ 145,069	$ 145,069	Nov. 1, 1962
Apr. 2, 1956	93 Covered Hopper Cars	3¾%	586,644	73,330	183,326	May 1, 1964
Oct. 15. 1956	3 Rail Diesel Coaches	4½%	406,382	67,731	101,596	Feb. 1, 1963
May 15, 1957	6 Steel Freight Barges	4¾%	220,800	44,160	44,160	Oct. 1, 1962
July 15, 1957	50 Covered Hopper Cars	5%	322,800	53,800	107,600	July 1, 1963
July 15, 1957	50 Box Cars	5%	315,900	52,650	105,300	Nov. 1, 1963
July 15, 1957	50 Gondola Cars	5%	352,800	58,800	117,600	Nov. 1, 1963
	Total		$ 3,656,016	$ 495,540	$ 804,651	

Non-Interest-Bearing Note

Oct. 31, 1961			$ 1,330,000		$1,330,000	Aug. 1, 1966

Properties

	December 31, 1961	1960
Transportation property:		
Road and roadway structures	$ 92,161,154	$ 88,159,494
Equipment	66,045,063	65,868,438
Improvements on leased property	11,891,441	12,275,217
Miscellaneous physical property	2,879,136	2,863,549
Total	$172,976,794	$169,166,698
Allowance for depreciation and amortization:		
Roadway structures	$ 11,029,729	$ 10,199,646
Equipment	35,586,595	37,952,546
Improvements on leased property	1,524,468	1,508,216
Miscellaneous physical property	41,833	33,172
Total	$ 48,182,625	$ 49,693,580
Net investment in properties	$124,794,169	$119,473,118

INVESTMENTS IN AFFILIATED AND OTHER COMPANIES (EXCLUDING CONSOLIDATED SUBSIDIARIES)

Affiliated Companies

Stocks

	Date of Maturity	Percent of Ownership	Par Value	Ledger Value
Allentown Terminal Railroad Company		50	$ 225,000	$ 225,000
Bay Shore Connecting Railroad Company . . .		50	27,900	27,900
Communipaw Central Land Company		100	2,000	2,000
Dover and Rockaway Railroad Company . . .		64	95,700	91,955
Edroyal Corporation		100	750,000	750,000
Mount Hope Mineral Railroad Company . . .		68	109,300	224,233
New York and Long Branch Railroad Company . .		50	2,000,000	2,000,000
Railway Express Agency, Inc.		1	No Par	1,100
Total				$3,322,188

Bonds

Allentown Terminal Railroad Company First Mortgage Gold Bonds	July 1, 1974		$ 212,000	$ 212,000
New York and Long Branch R. R. Co. 4% Cons. Mtge. Gold Bonds, Series "B" . .	Sept. 1, 1981		1,181,000	1,181,000
New York and Long Branch R. R. Co. 5% Cons. Mtge. Bonds, Series "A" . . .	July 1, 1979		269,000	269,000
Total				$1,662,000

Notes

Edroyal Corporation 1½%			$ 145,000	$ 145,000
Railway Express Agency, Inc. 5%			318,071	318,071
Total				$ 463,071

Advances

Bay Shore Connecting Railroad Company . . .				$ 9,774
Communipaw Central Land Company				1,614,092
New York and Long Branch Railroad Company . .				523,691
Total				$2,147,557
Total Affiliated Companies per consolidated balance sheet				$7,594,816

Other

Stocks

Lehigh and Hudson River Railroad Company . . .			$ 787,000	$ 748,287
Raritan River Railroad Company			495,300	839,610
Total				$1,587,897

Mortgages

Elizabethport Development Company, Inc. . . .			$ 185,220	$ 185,220
Tug and Barge Supply Company, Inc.			239,193	239,193
Total				$ 424,413
Total Other per consolidated balance sheet .				$2,012,310

JERSEY CENTRAL LINES

EQUIPMENT as of December 31, 1961

Locomotives

Diesel:	Number of units	Average Weight (tons)	Average tractive power
Road freight 1500 H.P.	20"A"	125.1	62,550
" " 1500 H.P.	10"B"	122.5	61,266
General utility 1000 H.P.	6	123.4	61,688
" " 1200 H.P.	4	121.4	60,700
" " 1500 H.P.	27	127.2	63,580
" " 1600 H.P.	30	125.6	62,787
" " 1600 H.P. (6 motors)	15	180.1	90,057
" " 2400 H.P. (6 ")	13	192.2	96,082
Yard switchers	56	111.7	55,879
Total	181	23,612.0	11,805,993
Average		130.4	65,226

Freight Cars

	Number Owned	Leased	Total	Total Capacity (tons)
Box	2,805		2,805	140,115
Coal	185	1,349	1,534	84,345
Gondola	1,454	390	1,844	127,580
Ore	8		8	560
Flat	102		102	7,260
Covered hoppers	1,199		1,199	83,090
Caboose	97		97	—
Total	5,850	1,739	7,589	442,950

Passenger Cars

	Number
Coaches	242
Combination passenger	23
Other combination	7
Baggage & express	56
Club	17
Diesel rail passenger coaches	11
Total	356

Marine Department

	Number
Ferryboats	5
Tugboats (diesel)	3
Open deck lighterage-scows	13
Steam hoist lighters	2
Covered barges	13
Car floats	8
Company service (misc.)	5
Total	49

TRANSPORTATION STATISTICS

	Year 1961	Year 1960	Percent Increase
Train Miles:			
Freight	1,257,213	1,259,420	—
Passenger	1,742,117	1,751,493	# 1
Total revenue service	2,999,330	3,010,913	—
Work	26,949	16,598	62
Total train miles	3,026,279	3,027,511	—
Car Miles:			
Freight — loaded	45,310,706	46,865,315	# 3
Freight — empty	29,400,953	27,058,374	9
Total freight (including caboose)	75,875,016	75,178,181	1
Passenger	9,531,829	9,645,507	# 1
Gross ton miles freight (thousands)	3,724,267	3,712,491	—
Net ton miles (thousands)	1,973,311	1,972,553	—
Freight Trains:			
Average net train load	1,624	1,633	# 1
Average gross train load	3,064	3,074	—
Average train speed	14.6	14.9	# 2
Freight Cars:			
Net tons per loaded car	43.5	42.1	3
Percent net to gross	53.0	53.1	—
Percent loaded to total car miles	60.6	63.4	# 4
Car miles per car day (of cars in service)	17.3	17.7	# 2
Net ton miles per car day (of cars in service)	391	384	2
Yard:			
Cars dispatched per yard engine hour	8.2	8.5	# 4
Cost of fuel and wages per car dispatched	$2.27	$2.12	7
Passenger Trains:			
Average cars per train	5.5	5.5	—
Cost of fuel and wages per train mile	$1.69	$1.65	2

# Denotes Reverse Figure

JERSEY CENTRAL LINES

REVENUES

Years	Freight Revenue	Passenger Revenue	Mail Revenue	Express Revenue	Other Revenues	Total Operating Revenues
1961	$39,921,607	$5,525,466	$1,932,685	$384,486	$3,365,053	$51,129,297
1960	40,975,488	5,677,377	1,903,021	717,086	2,315,888	51,588,860
1959	43,070,361	5,720,196	1,940,606	650,774	1,628,410	53,010,347
1958	44,416,665	5,953,031	1,769,016	612,529	1,794,754	54,545,995
1957	49,560,929	6,348,210	1,463,442	785,466	2,034,993	60,193,040
1956	52,549,667	5,920,656	1,349,162	916,792	2,140,337	62,876,614
1955	48,506,587	5,454,254	1,298,191	944,131	2,110,885	58,314,048
1954	46,841,524	5,353,772	1,506,428	955,078	1,845,320	56,502,122
1953	53,100,015	5,552,683	1,332,658	955,676	1,855,502	62,796,534
1952	54,504,290	5,816,784	1,274,422	1,051,151	1,981,055	64,627,702

EXPENSES

Years	Maintenance of Way and Structures	Maintenance of Equipment	Traffic	Trans-portation	Miscellaneous Operations	General	Total Operating Expenses	Percentages of Expenses to Revenue	Net Revenue From Railway Operations
1961	$6,017,105	$ 8,500,538	$ 910,971	$25,847,691	$22,012	$2,632,823	$43,931,140	85.92	$ 7,198,157
1960	5,870,523	7,447,809	909,971	25,455,594	32,651	2,789,012	42,505,560	82.39	9,083,300
1959	6,258,073	9,176,325	918,062	25,713,235	52,037	2,789,676	44,907,408	84.71	8,102,939
1958	6,295,271	9,332,589	890,458	26,711,626	48,260	2,800,455	46,078,659	84.48	8,467,336
1957	7,019,570	10,558,340	947,338	27,063,265	37,760	2,816,512	48,442,785	80.48	11,750,255
1956	8,589,492	10,887,484	928,364	26,578,128	44,979	2,644,957	49,673,404	79.00	13,203,210
1955	8,518,990	9,982,526	867,354	24,314,403	67,948	2,392,506	46,143,727	79.13	12,170,321
1954	7,979,613	9,665,895	910,112	23,992,064	67,572	2,342,179	44,957,435	79.56	11,544,687
1953	8,964,107	12,152,321	982,339	25,736,801	69,546	2,519,338	50,424,452	80.30	12,372,082
1952	9,178,525	12,091,669	1,006,365	27,096,409	63,106	2,551,588	51,987,662	80.44	12,640,040

NET RAILWAY OPERATING INCOME, FIXED CHARGES AND NET INCOME

Years	Net Railway Operating Income	Other Corporate Income (Net)	Income Available For Fixed Charges	Fixed Charges	Net Income
1961	$4,060,033#	$1,126,161	$2,933,872#	$4,167,176	$7,101,048#
1960	1,369,773#	1,177,663	192,110#	4,100,919	4,293,029#
1959	537,179	795,545	1,332,724	4,171,283	2,838,559#
1958	495,952	1,839,709	2,335,661	4,240,302	1,904,641#
1957	3,436,628	856,629	4,293,257	4,250,562	42,695
1956	4,634,297	803,988	5,438,285	4,306,575	1,131,710
1955	4,773,865	678,899	5,452,764	4,431,898	1,020,866
1954	3,940,157	588,125	4,528,282	4,513,698	14,584
1953	5,090,705	586,998	5,677,703	4,457,422	1,220,281
1952	5,255,799	711,191	5,966,990	4,336,181	1,630,809

# Denotes Reverse Figure

REVENUE FREIGHT TRAFFIC STATISTICS

Years	Average Mileage Operated	Revenue Tons One Mile Per Mile of Road	Average Rate Per Ton Per Mile (Cents)	Revenue Freight Train Miles	Average Train Load (Revenue Tons)	Average Gross Ton Miles Per Train Hour
1961	613.68	3,199,237	2.03	1,257,213	1,562	43,151
1960	606.48	3,221,397	2.09	1,259,420	1,551	44,031
1959	608.82	3,221,430	2.19	1,312,597	1,494	41,825
1958	612.09	3,149,414	2.30	1,299,438	1,484	42,264
1957	626.22	3,387,685	2.33	1,437,896	1,475	42,101
1956	627.11	3,873,976	2.16	1,573,569	1,544	42,172
1955	627.53	3,440,963	2.25	1,479,543	1,459	40,917
1954	627.15	3,322,157	2.25	1,479,779	1,408	39,720
1953	631.27	3,633,994	2.31	1,554,668	1,476	39,112
1952	633.63	3,856,308	2.23	1,610,066	1,518	38,609

REVENUE PASSENGER TRAFFIC STATISTICS

Years	Average Mileage Operated(*)	Passengers One Mile	Average Rate Per Passenger Per Mile (Cents)	Total Passenger Train Miles (X)	Total Passenger Train Miles Per Mile Road	Revenue Per Train Mile Passenger	
						Passengers Only	All Sources
1961	263.73	162,698,827	3.40	1,742,117	6,606	$3.17	$4.54
1960	264.56	174,710,147	3.25	1,751,493	6,620	3.24	4.78
1959	271.82	179,413,247	3.19	1,778,099	6,541	3.22	4.72
1958	276.42	205,667,764	2.89	1,929,100	6,979	3.09	4.36
1957	276.70	236,068,717	2.69	2,096,721	7,578	3.03	4.14
1956	276.70	234,915,052	2.52	2,122,425	7,670	2.79	3.88
1955	276.70	221,097,087	2.47	2,117,690	7,653	2.58	3.67
1954	276.70	226,293,878	2.37	2,152,515	7,779	2.49	3.68
1953	287.76	232,847,416	2.38	2,255,519	7,838	2.46	3.52
1952	354.39	246,120,911	2.35	2,395,075	6,758	2.42	3.43

(*) Excludes mileage exclusively for freight traffic.

(X) Including express trains.

TRACK MILEAGE (December 31, 1961)

	Miles of First Main Track	Miles of Additional Main Track	Miles of Yard Tracks & Sidings	Total All Tracks
Owned	417.55	186.47	467.86	1,071.88
Leased:				
Controlled through ownership of majority of capital stock . .	4.54	—	2.42	6.96
Not controlled	169.66	65.30	197.20	432.16
Trackage rights granted by other companies	59.31	44.08	29.28	132.67
Total miles of road operated	651.06	295.85	696.76	1,643.67

JERSEY CENTRAL LINES

FREIGHT REVENUE BY COMMODITIES

Commodity	1961		1960	
	Cars	Revenue	Cars	Revenue
Products of Agriculture:				
Wheat, Corn, Oats	2,903	$ 448,464	2,835	$ 355,186
Flour	5,600	260,904	7,254	308,629
Soybean Oil Cake and Meal	1,336	157,555	1,759	167,725
Other Products of Agriculture	15,626	834,518	16,779	845,166
Total	25,465	$ 1,701,441	28,627	$ 1,676,706
Animals and Products:	16,392	$ 618,730	18,131	$ 703,038
Products of Mines:				
Anthracite Coal (Prepared)	39,784	$ 2,733,082	32,909	$ 2,543,522
Bituminous Coal	157,562	7,337,708	157,980	7,373,044
Iron Ore	8,693	560,253	13,637	842,244
Other Ores and Concentrates	8,781	691,159	10,361	788,910
Clay and Betonite	5,893	277,977	6,707	298,560
Sand, Gravel and Crushed Stone	25,829	1,627,620	26,557	1,706,475
Salt	3,748	303,621	3,457	280,502
Other Products of Mines	26,879	1,038,050	27,018	1,138,982
Total	277,169	$14,569,470	278,632	$14,972,239
Products of Forests:				
Lumber, Shingles and Lath	6,743	$ 413,408	7,641	$ 453,972
Other Products of Forests	7,296	404,614	7,644	407,299
Total	14,039	$ 818,022	15,285	$ 861,271
Manufactures and Miscellaneous:				
Refined Petroleum Products	16,227	$ 1,273,187	17,347	$ 1,342,820
Gases—Other than Petroleum	2,707	338,303	3,795	394,881
Soybean Oi!	4,661	301,733	4,091	283,898
Chemicals	17,035	2,116,822	17,502	2,076,542
Sodium (Soda) Products	11,166	1,222,991	10,328	1,073,107
Alcohol	3,667	369,386	4,165	367,938
Fertilizers	4,197	298,580	4,039	289,214
Paints, Putty and Varnish	5,186	418,679	5,317	417,221
Copper, Brass, Lead, Zinc	7,560	632,912	7,588	711,586
Manufactured Iron and Steel	13,655	1,107,394	18,996	1,545,124
Vehicle Parts	3,871	191,420	5,214	269,808
Cement	24,096	1,977,165	21,949	1,973,378
Printing Paper	19,719	1,106,501	20,501	1,064,985
Paper Products	10,655	434,857	11,360	433,541
Paperboard, Fibreboard and Pulpboard	12,459	496,604	12,718	535,778
Building Paper & Prepared Roofing Materials	1,742	108,977	2,689	160,578
Glass Bottles, Jars and Packing Glasses	7,701	396,598	8,733	463,567
Liquors — Malt	2,944	206,976	2,946	198,447
Canned, Packaged and Frozen Food	10,600	411,403	10,121	350,538
Prepared Animal and Poultry Feed	5,096	252,415	5,638	265,587
Containers — Metal	4,140	172,728	4,967	207,025
Scrap Iron and Scrap Steel	12,580	1,400,862	13,410	1,529,700
Waste Materials	11,125	830,518	11,340	915,455
Other Manufactures and Miscellaneous	98,840	5,559,066	108,707	5,175,093
Total	311,629	$21,626,077	333,461	$22,045,811
Forwarder Traffic:	32,791	$ 881,680	35,942	$ 888,458
GRAND TOTAL — CARLOAD TRAFFIC	677,485	$40,215,420	710,078	$41,147,523
Less Than Carload Traffic:	—	$ 379,657	—	$ 399,009
GRAND TOTAL — CARLOAD AND LCL TRAFFIC	677,485	$40,595,077	710,078	$41,546,532

JERSEY CENTRAL LINES

Freight Traffic Offices

Jersey Central Lines maintains Freight Traffic Offices in the cities listed below. Agents in charge of these offices are eager to give every assistance to shippers.You can help us by urging your shipper friends to ask these Agents about Jersey Central Lines service. Or tell your nearest Agent of prospective business that comes to your attention. He'll carry on from there, promptly, courteously and thoroughly.

Albany 7, New York	W. J. Dickerson, General Agent 11 The Plaza—Phone Hobart 3-4547
Allentown, Pennsylvania	J. H. Weiss, Division Freight Agent Allentown, Pa., Passenger Station Phone Hemlock 5-4721
Boston 10, Massachusetts	Francis T. Burns, Jr., General Agent 604 Chamber of Commerce Building Phone 542,5320
Buffalo 3, New York	C. R. Everding, General Agent 532 Ellicott Square Phone TL 4-1274
Chicago 3, Illinois	J. J. Regan, General Western Freight Agent 3324 Bankers Building, 105 West Adams Street Phone 726-1816
Cleveland 14, Ohio	M. W. Arnold, General Agent Room 407, Park Building Phone 241-0968
Jersey City, 2, N.J.	B. J. McSweeney, General Freight Agent Sales & Service (Metropolitan New York) Jersey Central Terminal Phone BArclay 7-9700 (N.Y. City)
Jersey City 2, N. J.	W. D. Wakeman. General Freight Agent Sales & Service (Central Division) Jersey Central Terminal Phone DElaware 3-1122
Long Branch, New Jersey	H. J. Page, Assistant Division Freight Agent Phone CApital 9-0486
Northampton, Pa.	B. M. Haberern, Assistant Division Freight Agent 1019 Main Street Phone 262-6746
Philadelphia 2, Pennsylvania	J. M. Gehring, Assistant General Freight Agent Room 1610, Girard Trust Co. Bldg 1400 South Penn Square Phone Locust 3-7390
Pittsburgh 22, Pennsylvania	J. C. Powers, General Agent Room 801-802, Park Building Fifth Avenue and Smithfield Street Phone Atlantic 1-7405
St. Louis 1, Missouri	C. H. McNab, General Agent 1112 Chemical Building, 721 Olive Street Phone Central 1-4760
Wharton, New Jersey	E. M. Hoare, General Agent Main Street Phone Foxcroft 6-0129
Jersey City 2, N.J. Jersey Central Terminal Phone DElaware 3-1122 (New York City number: BArclay 7-9700)	John F. Hourigan *Vice President—Freight Traffic* Edward Keil *Freight Traffic Manager (Rates and Divisions)* Victor L. Pernter *Freight Traffic Manager (Sales and Service)* Edward P. Seiwert *Manager Marketing Research* Robert G. Hamlin *Manager Industrial Development* John J. Emerick *Coal Traffic Manager*

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